

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1007-01
Bill No.: HB 224
Subject: Health Care; Health Care Professionals; Insurance - Medical; Insurance Dept.
Type: Original
Date: February 7, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS
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FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation, Department of Insurance and Missouri Consolidated Health Care Plan** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Department of Transportation for response regarding the fiscal impact of this proposal.

Officials from the **Department of Transportation** state that since this proposal pertains to health services corporations and HMOs only and does not pertain to the Highway & Patrol Medical Plan, there would be no fiscal impact to the Missouri Highway Transportation Commission or the Highway & Patrol Medical Plan.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposed legislation increases the time the director of insurance has to approve changes in a health services corporation or health maintenance organization's policy and establishes a twelve month time frame for disapprovals. The procedural changes are related to the operations within the Department of Insurance. Therefore, there is no fiscal impact to the DMS.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal makes several changes to the law governing the contracts of health services corporations and health maintenance organizations. The proposal: (1) Increases, from 30 days to 45 days, the length of time the Department of Insurance has to disapprove of any changes to a contract form submitted by the entity; (2) Prohibits the department from disapproving a new contract form for 12 months, if the department fails to disapprove of it within 45 days of its filing with the department; (3) Allows the department to request a modification of a provision of a contract form that is contrary to state law. In its request, the department must cite the specific provision and any statutes that may be in conflict. The entity will have 30 days to respond with an amendment that will make the provision compliant with state law; and (4) Requires the entity to issue to its members copies of any approved amendments to the contracts. These amendments will have the same force and effect as if the amendments were in the original contracts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

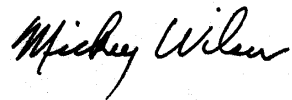
SOURCES OF INFORMATION

Department of Transportation
Department of Social Services

HW-C:LR:OD (12/02)

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Department of Public Safety -
Missouri Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 7, 2003